

# Audit's<sup>®</sup> MARKET ANALYSIS OF SECURITIES OF REITS AND REAL ESTATE COMPANIES

# Realty Stock Review

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## MARKET STRATEGY: WHAT TO DO AS REITS MOVE INTO AN ERA OF LOWER EXPECTATIONS

Just as everyone is going ga-ga about the new generation of go-go REITs, our quarterly review of REITs suggests to us that investors ought to lower their expectations for REIT stocks in the months and years ahead. We think it will be tougher (but by no means impossible) to make big money in REIT stocks in the second half of the 1980s. Selection is going to be more important than it has been in recent years.

We've come to that conclusion (unwelcome as it may be to some subscribers) based upon (1) a careful reading of the first flood of 1984 annual reports now arriving, and (2) a look at recent stock market action.

On page 2 we present some evidence in the form of (1) a table showing changes in REIT EPS/CFS last year, and (2) stock charts of nine fairly active REITs. They show two nascent trends:

--Percentage gains in operating EPS and CFS seem more labored and seven of 18 REITs reported declines in 1984;

--A slightly higher percentage of dividends (17.5%) and dividend increases are being supported from capital gains

or return of capital distributions, and 12 of 17 dividend payers used one of these two sources to supplement operating income distributions in 1984.

Let's make clear that we're not overly concerned by these trends. The property REITs have had ample opportunities to cash in capital gains in recent years and have done so. Cashing in normally involves selling the best performing and highest yielding properties and putting the money to work in properties with more potential; operating income and cash flow suffer for a time in this process. And because it may take three or more years to get equal cash flow from new properties, dividends must be supplemented with capital gains. All this is normal portfolio management.

But we are concerned that many investors will take this normal process as the end of the REIT play for now. Something like that seems to account for recent weakness in stocks like **First Union**, **L&N Housing**, **Mortgage Growth** and **Washington REIT** (see charts, p. 2). We see slower EPS/CFS gains in the second half of the 1980s for most REITs, but definitely no collapse as in the 1970s. In a lower inflation environment, we expect REITs and real estate to outperform inflation. Thus recent pauses are longer-term buying opportunities.

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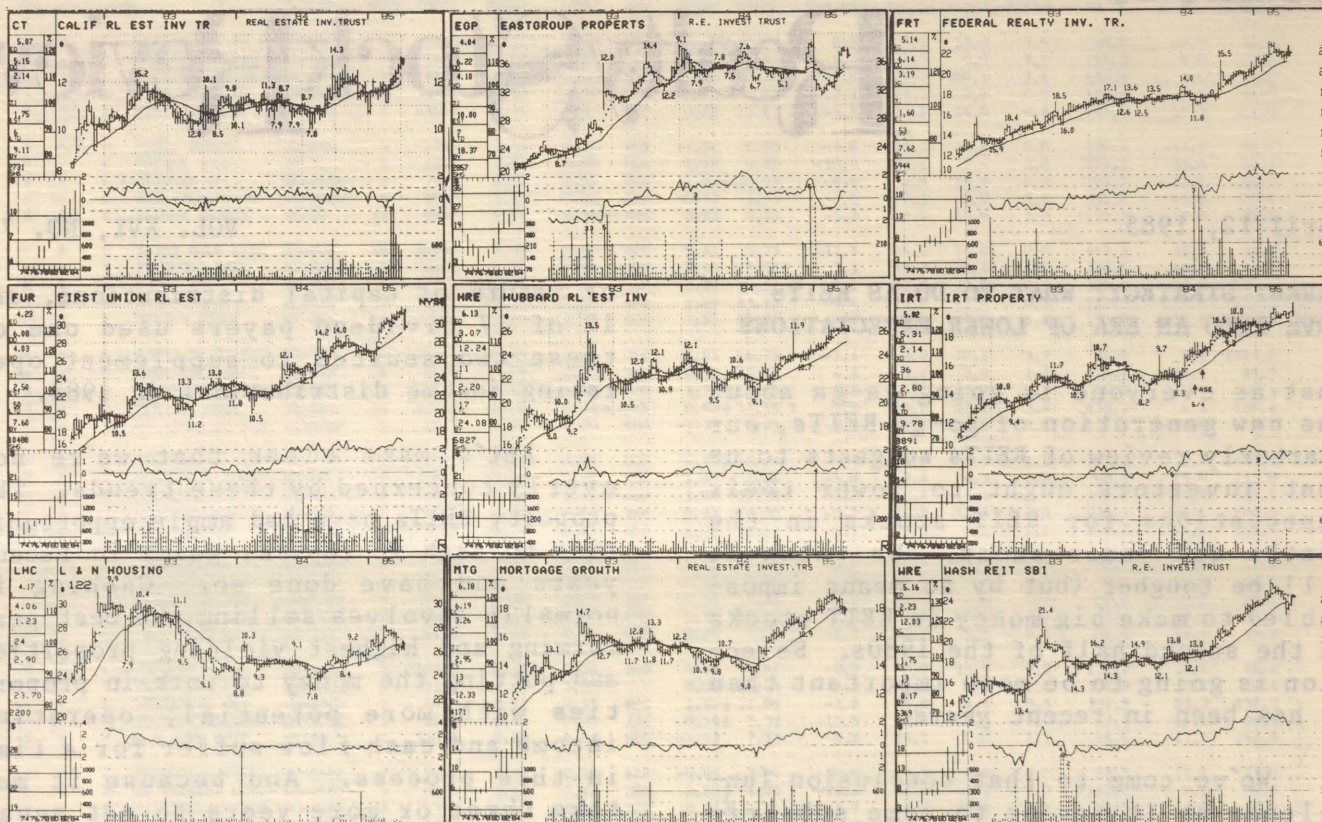
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Charts courtesy R.W. Mansfield Co.

#### EPS/CFS AND DIVIDEND SUMMARY OF 1984 RESULTS FOR 18 REITS REVIEWED THIS ISSUE

| Trust/Yr.        | --EPS/CFS#-- |        | --Div.--- |        |
|------------------|--------------|--------|-----------|--------|
|                  | \$           | % Chg. | \$        | % Chg. |
| BRT Rlty./Sept.  | \$0.31       | NM     | None      | NM     |
| Calif.REIT/Dec.  | 0.55         | - 5%   | \$1.22a   | +11%   |
| ConCap Rl./Nov.  | 0.55         | -44    | 1.78      | + 3    |
| EastGroup/Nov..  | 3.09         | +33    | 3.60a     | +57    |
| Federal Rl/Dec.  | 1.66#        | +20    | 1.33ab    | +19    |
| First Un./Dec..  | 1.87#        | +18    | 1.72a     | +20    |
| Gould In./Sept.  | 1.65         | -10    | 1.75a     | 0      |
| Hotel Prop./Dec. | 1.00         | -15    | 1.64b     | 0      |
| Hubbard RE/Oct.. | 1.90         | + 2    | 2.20a     | + 2    |
| IRT Prop./Dec... | 1.53#        | + 5    | 1.48      | +12    |
| Intl.Inc./Dec... | 0.68#        | -12    | 0.89b     | +10    |
| L&N Hsg./Dec.... | 2.57         | - 1    | 2.84a     | + 9    |
| Mtg.Grow./Nov... | 1.55         | +34    | 1.40a     | + 7    |
| 1 Lib.Fire./Dec. | 1.46         | NM     | 1.69      | NM     |
| Prop.Tr.Am./Dec. | 1.02#        | 0      | 1.20b     | +12    |
| REIT Calif./Dec. | 2.48         | + 6    | 2.43      | + 1    |
| Wash.REIT/Dec... | 1.56         | +22    | 1.50      | +22    |
| West.InvRET/Dec. | 1.54#        | - 4    | 1.445b    | +14    |

NM-Not meaningful: Loss in prev. year for BRT, less than one yr. for One Lib.

a-Incl.capital gains: Cal REIT, 0.72; Eastgroup, \$1.23; Federal, 0.05; First Un., 0.447; Gould, 0.15; Hubbard, 0.842;

L&N Hsg., 0.27; Mtg. Growth, 0.067.

b-Tax-free return of capital: Federal, \$0.05; Hotel, 0.44; Intl. Income, 0.332; Prop.Tr.Am., 0.44; WIRET, 0.195.

# Net cash flow per share (CFS).

#### RANKING REVIEWS: 15 REITS HOLD RANK, ONE RISES AND TWO FALL A NOTCH IN NEW LOOKS

We've reviewed 18 REITs and are holding Ranks for all but three: **Hubbard Real Estate** rises to A while **Hotel Properties Inc.** and **International Income Property, Inc.** fall a notch to B Rank for reasons outlined below. We comment on eight below; others listed at left hold Ranks.

**California REIT** continues redeploying older net leased properties into multiple lease properties with more potential. This cuts operating EPS and cash flow, and CT has supplemented income with recurring capital gains (66% of EPS). In 1984 CT invested in joint ventures owning two Dallas area apartments with 396 DU; apartments with 1,118 DU are now 51% of investments. CT has generally invested either via joint ventures or preferred mortgage positions



to provide assured cash flow. One joint venture went sour in 1984 and CT took over management of 174-DU Northridge Apts. in Houston. CT doesn't intend specializing in apartments but finds they suit its active management style. Other investments are in office/warehouse and retail. Debt is mostly mortgages and a low 0.3 times equity. CT raised \$17.6 mil. in Feb. by selling 1.5 mil. new shares, increasing market interest (chart). B Rank is maintained. Shs. are a higher yield play on rollover of older assets.

**Consolidated Capital Realty Investors** is selling properties (mostly apartments) for cash and wrap-around mortgages (\$112 mil. face amount, \$65 mil. net after discounts and deferred gains) which come due thru 1994. Remaining properties are mostly 4,539 apartments, of which 88% are in overbuilt Houston. While CCPLS properties have above-average occupancy (88.5% v. 83%) it expects properties to operate at about break-even, meaning interest on its wrap-around mortgages are the main source of income. Management is attempting to sell these wrap mortgages and success will have a great deal to do with ultimate values. If all properties and notes are sold by 1987, present value would be \$30.77/sh. at a 12% discount; if properties are sold by 1987 but notes held to maturity, present value would be only \$18.11. We believe ultimate value will be in between. Buy/hold L-T.

**EastGroup Properties** continues selling properties, mostly land purchase leasebacks, and nonearning assets are cut to 13%. EGP swapped one asset for an 80% interest in 85 acres in Hercules, Cal., being developed as an office/warehouse complex for life science tenants. Shs. fell when a large dividend was paid recently, only to recover (chart). Debt is low. Shs. remain a play on success of new ventures.

**Federal Realty Investment Trust** holds A Rank by continuing to buy older shopping centers and renovate them successfully. Return on new cash invested over the past eight years is about 31%. Major renovation of 455,000 sq. ft.

Willow Lawn center in Richmond is beginning. FRT owns or has interests in 22 centers with 4.4 mil. SF. Creativity in renovation and leasing are strong points. FRT sold \$35 mil. of 8.75% convertibles (at \$24) in March for expansions. Dividends were only 80% of operating CFS in 1984 and small amounts of dividends allocated as other items were accounting blips. Shs. remain strong L-T buys on any dips.

**First Union RE** holds A Rank by continuing its impressive EPS and dividend gains. FUR institutional holdings include 17 major enclosed malls with 5.9 mil. net SF, and eight urban office towers with 1.8 mil. SF. FUR is expanding three malls during 1984, in Wilkesboro, N.C. and Willmar and St. Cloud, Minn. Current value per share rose 5.5% to \$34.17 in 1984, vs. a 14.1% rate the past five years. Debt is a low 0.4 times equity at market, and access to funds is good. Shs. softened recently but should be rewarding L-T.

**Hotel Properties Inc.** falls to B Rank in our system because of a wider gap between operating EPS and payout. HPS is selling older net leased Vagabond Hotels (five are left) and recycling funds into new purchases. HPS seeks commercial hotels where improvements and tight operations can boost rates and returns substantially. In 1984 it bought 86% of another REIT, U.S. Equity, via tender to acquire five hotels with 735 rooms in Seattle and Portland. HPS raised \$25.5 mil. last week by selling 1.5 mil. shs. at \$17, with funds for expansion and short-term debt repayment. Current asset value was \$21.01 before the sale. Shs. are aggressive buys.

**Hubbard Real Estate** rises to A Rank by virtue of strong EPS and finances. Office buildings in five major cities are doing well and HRE joined Santa Anita Realty in buying a Santa Ana, Cal. office last fall. The just-raised dividend could rise some more. Buy L-T.

**International Income Property Inc.** drops to B Rank because selling one shopping center and buying another hurt CFS. Shs. are conservative L-T buys.



**B-AMERICANA HOTEL:** (AHR-NYSE). Gr.3-Combination. Organized 11/82. Assets: Holds second mtgs. w/ kickers on 21 hotels with 7,040 rms.; sold two weakest hotels 11/84. About half resort/convention hotels, half commercial. Sponsored by Bass Bros. Enter., Ft. Worth & managed by their Americana Hotels unit; Results: Dec. FY oper. EPS \$2.47, up 18%. Div. upped to \$2.48 rate. New pres. says sponsor support of div. may not continue past '85. Shs. for recovery. (RSR 4/13/84)

**C-BRT REALTY:** (BRT-ASE). Gr.2-Comb. Assets: Now mainly S-T mtg. lender w/ kickers after 2/83 restructuring with infusion of mtgs. & \$1M cash from Gould Investors, now 56% owner after Gould distributed 1 BRT sh. for each Gould sh. 1/85; Acquired Kavanau REIT 2/84 for shs. Results: Dec. Q oper. EPS 9¢, up 13%. Goal: use 68¢ sh. taxloss benefit. Audit affil. has advised. Shs. hold/buy near \$2.50/sh. book. (RSR 1/27/84)

**A-BANKAMER RLTY:** (BRE-NYSE). Gr.2-Combination. Assets: High-quality assets, 40% shop. ctrs., 66% Calif.; Often holds equity interest + mortgage loan on property. Results: Jan. 6 mo. oper. EPS \$1.07, up 9%; Oper. funds \$1.16, up 5%; plus 11¢ prop. sale gains. Appraised value \$31.50 sh. diluted 7/84, up 10.5%. Bought full control of 626T SF San Jose shop. ctr. 1/85. Shs. strong lately but are L-T capital gains buy. Uppe div. 11¢ to \$2.40 rate 11/84. (RSR 10/5/84)

**B-CALIFORNIA REI#:** (CT-ASE). Gr.1-Prop. Assets: Rolling over older props. (most triple net leased) into multi-tenant props. with more upside, mostly apts. (51%) & shop. ctrs. Calif. & Texas. Deprec. & lower initial yield on new props. hurt reported EPS. Signed \$10M bank credit. Results: 1984 FY oper. EPS 55¢, down 5%, + 94¢ cap. gains; Div. up 3¢ 1/85 to \$1.28 rate. Sold 2 bldgs. 12/84. Shs. for L-T gains from success of asset redeployment. (RSR 4/12/85)

**B-CENVILL INVESTOR:** (CVI-NYSE). Gr.2-Comb. Assets: 91% mtgs. (41% on recreational facilities, 22% new condo constr., 17% to Cenvill Devel., parent of adviser); + two shop. ctrs. w/ 212T SF, 154 rm. motel; Signed \$20M credit to make devel. loans, most in Boca Raton, Fla. (Boca Grove). Results: Dec. FY EPS \$2.41, down 7%. Shs. buy for income plus L-T growth.

**A-CLEVETRUST RLTY:** (CTRS-OTC). Gr.2-Comb. Assets: 30% mtgs.; 60% income props. (5 off. w/ 490T SF; 3 shop. ctrs. w/ 254T SF; 400 DU apts.); 10% nonearning land. Made \$6.5M convt. leaseback loan on Austin shop. ctr. 8/84. Hires invest. banker to study liquidation after Merchant Navy Fund, U.K., 30% owner, suggests; lawsuit setlmt. also tied to liquidation study. RSR est. appraised value \$23.25-\$25 sh. Results: Dec. Q CFS 24¢, off 40%; oper. EPS 12¢, off 59%. Liquidation study & lawsuit setlmt. hearing both set for May. Shs. hold/arbitrage until liquidation question settled. (RSR 1/27/84; 2/22 & 3/22/85)

**C-COMMONWLTH FINC. RE:** (CFGRS-OTC). Gr.3-Mtg. Assets: Houston based construction & devel. lending trust, result of First Contl. REIT acquisition of M&T Mtg. 8/83. Strong Texas/Okla. focus; Avoiding Houston hsg. but nonearning loans up to 9.2% 11/84. Adviser being sold to officers. Results: 31¢ in Nov. Q, off 14%. Hold for income.

**C-COMMONWLTH RLTY#:** (CRTYZ-OTC). Gr.1-Prop. Assets: Owns mainly office bldgs., incl. Valley Forge (Pa.) office park after buying 40% minority interest; owns 6 Penn. bank branches. Bought 38T SF N.J. office 2/84. Sold shop. ctr. for \$1.34/sh. gain 6/84; buying 37% of 37T SF Denver office, 50% of 140T SF Calif. office 9/84. Country & New Town (U.K.), owns 66%. Oper EPS 2¢ sh. in Nov. '84 FY, off 95%, plus \$1.34 gains. Paying 60¢ '84. Shs. for more recovery.

**\*-CONSOL CAP INCOME:** (CCITS-OTC). Gr.3-Mtg. Assets: Invests in wrap-around mtgs. & assumes underlying mtgs. (shown as debt in tables, p. 8); maturity short & 98% due in 3 yrs. Loans mainly West & SW, mainly apts.; some w/ interest kickers. Advised by Consol. Capital, W. Coast syndicators. Results: EPS \$2.40 in Sept. 9 mon., down 10.5%; Divs. pd. monthly @ \$3 rate. Delinquent loans 24.4%, foreclosures 12.4%. Avoid for now.

**\*-CONSOL CAP INCOME OPP:** (CCOTS-OTC). Gr.3-Mtg. Assets: New trust, invests mainly in wraparound, first and second mtgs. w/ equity kickers. Managed by Consol. Cap. No advice. (RSR 3/22/85)

**B-CONSOL CAP RLTY#:** (CCPLS-OTC). Gr.2-Comb. Assets: Owns mainly apts., half Texas. Condo and/or sale gains potential give upside; Selling props. selectively for cash & high-yield notes, boosting payout. Results: Nov. FY oper. EPS 55¢, off 44% + \$1.67 sale gains. Divs. \$1.78, up 3%. Shs. for aggressive gains. (RSR 4/12/85)

**\*-CONSOL CAP SPECIAL:** (CCSTS-OTC). Gr.3-Mtg. Assets: Invests in wraparound, first & second mtgs. w/ equity kickers, most due in 5 yrs. Est. yield 16.25-19.5% incl. kickers due on sale. Managed by Consol. Cap. Results: EPS \$2.36 Sept. 9 mo., down 14%; Div. pd. monthly at \$3 rate. Delinquent loans 21.3%, foreclosures 8.5%. Avoid or risky yield.

**B-DEL-VAL FINCL:** (DVL-ASE). Gr.3-Mtg. Assets: Invests mainly in comcl. mtgs. in props w/ sponsor and/or principals acting as general partners. Stresses net leased comcl. props. Sold \$21M secured notes 12/83. Results: Dec. FY EPS \$1.71, up 1%. Shs. for income.

**\*-EQK REALTY INV. I:** (EKR-NYSE). Gr.1-Prop. Assets: Owns 674T SF Peachtree-Dunwoody Pavilion, Atlanta; 1,193T SF Castleton Comcl. Off. Pk., Indianapolis; 899T SF Harrisburg (Pa.) East Mall. Advised by jt. venture of Equitable Life and Kravco, shop. ctr. devel. Came public 3/85 w/ 10.0M sh. offer. Shs. hold for now. (RSR 3/22/85)

**A-EASTGROUP PROPS:** (EGP-ASE). Gr.1-Prop. Assets: Specializes in land purchase leasebacks on apts. & shop. ctrs. Selling props. at gains, of \$6.59/sh. in Nov. '84 FY; Eastover Corp. owns 28% & manages. Bought back 149.4T sh. @ \$34.97 in Nov. FY. Results: Feb. Q oper. EPS 86¢, up 18%, + \$1.56 gains. Swapped Calif. hotel 8/84 for \$1.35/sh. gain & 80% of new business park. Pd. \$4.36 spcl. div. 1/85. Shs. hold for condo profits (RSR 4/12/85)

**B-EASTOVER CORP:** (EASTS-OTC). Gr.1-Prop. Requalified as REIT 12/84 after spinning off non-REIT assets into Congress St. Properties. Holds 28.2% (or 763T shs.) of EastGroup Properties, also a



qualified REIT. Controlled by Investors Leland Speed/Brent Baird. One EASTS sh. = 0.61 EGP sh. Results: Dec. FY oper. EPS \$2.03, up 142%. Will pay divs. at \$2 ann. rate.

**A-FEDERAL REALTY#:** (FRT-ASE). Gr.1-Prop. Assets: Unique ability to buy & upgrade older shop. ctrs., generating high return. Owns 22 shop. ctrs. w/ 4.4M SF; Plans renovating 3 ctrs. 1985. Debt mtgs./leases. Belgian group owns 16%. Raised \$35M via convt. sale 3/85. Results: Dec. FY oper. CFS \$1.66, up 20%. Listed NYSE. Shs. sound buy for L-T gains (RSR 4/12/85).

**A-FIRST UNION RE#:** (FUR-NYSE). Gr.1-Prop. Assets: Institutional qual. assets: 17 shop. malls w/ 5.9M SF; 8 downtown offices w/ 1.8M SF. Stressing shop. malls & expanding 2 Minn. malls; Debt 3% bank, rest mtgs. & debts. Appraised value \$34.17 sh. diluted 12/84. Results: Dec. FY Oper. CFS \$1.87, up 18%. Div. upped to \$1.92 ann. rate 4/85, up 21% in yr. Shs. L-T growth buys (RSR 4/12/85).

**A-FLORIDA GULF#:** (FGLFS-OTC). Gr.1-Prop. Assets: Owns mainly Fla. shop. ctrs. w/ 1.9M SF; Upgrading 2 ctrs., re-leased 3 closed Woolco stores w/ higher rents. Agrees to seek asset sale after dissident shareholder group begins proxy fight; hopes to realize \$20/sh.; divs. elim. pending outcome. Hold/sell or arbitrage shs. now. (RSR 5/25/84).

**B-GENERAL GROWTH#:** (GGP-NYSE). Gr.1-Prop. Assets: Sold 19 Midwest shop. ctrs. 11/84 for \$390 mil. net cash + mtgs.; Paid \$25/sh. cash (as L-T cap. gain) 2/85; Will consider merger, liquidation, etc. for remaining mtgs. & props. over coming yrs.; residual value est. \$5-\$6/sh. plus unknown cash & possible earnout. Shs. arbitrage or hold for stub value. (RSR 1/11/85).

**\*GOLDEN CORRAL:** (GCRA-OTC). Gr.1-Prop. Assets: Will buy 25 family steakhouses operated by manager, private Golden Corral Corp. under leases for 8% of gross food sales w/ minimums letting GCRA pay 12.5% on gross offer price in 3 yrs. after 10/84 offer. No advice. (RSR 10/19/84).

**A-GOULD INVESTORS#:** (GTR-ASE). Gr.1-Prop. Assets: Owns 17 shop. ctrs. (1.46M SF); 6 offices (427T SF); 9 apts. (1,780 DU); 11 land leasebacks; Owns 56% BRT Rlty. after distributing 1 BRT sh. for each GTR sh. 1/85 in lieu of four qtrly. divs.; Acquired 900T SF NYC office 12/83. Sold 8.6% stake in Rlty. ReFund to EastGroup Prop. Results: Dec. Q oper. EPS 68¢, off 8%, plus 4¢ net sale gains. Shs. L-T buy. (RSR 1/27/84).

**A-HEALTH CARE FUND:** (HCN-ASE). Gr.3-Mtg. Assets: Midwest nursing home financing specialist lends for constr., then buys & leases completed homes back to operators; owns 53 homes w/ 4,522 beds, most Ohio; Borrows against homes (mostly indust. revenue bonds) & sells shs. for equity. Sold 862.5T new shs. 10/84. Results: Dec. FY EPS \$2.57, up 2%. Div. up 4% 11/84. Shs. buy. (RSR 5/18/83).

**C-HMG PROP INV:** (HMG-ASE). Gr.1-Prop. Assets: Developing realty equities, some in joint ventures; Main projects Dallas, Houston, Orlando, Boston. Constr. loan interest & some slow leaseups hurt EPS/CFS. Former trust, Transco Rlty., owns 41%. Debt 50% floating rate bank. Results: Dec. FY loss \$3.12 v. d2¢. Div. held @ 60¢. Shs. down & now spec holds (RSR 7/15/83).

**A-HOLLYWOOD PK RL:** (HTRFZ-OTC). Gr.1-Prop. Assets: Paired REIT for Hollywood Park race track, Inglewood, Cal., leased to Operating Co. for race meets (94 net days '83); Bought harness racing sub. from Wincorp Rlty. Plans expanded track at Hollywood. Bought Los Alamitos harness track 8/84 for \$27M & will develop nearby 100 ac. Results: Dec. FY EPS \$2.17, up 10%. Shs. L-T buy. (RSR 11/16/84).

**B-HOTEL INVESTORS#:** (HOT-NYSE). Gr.1-Prop. Assets: Owns interests in 21 hotels (1,601 rms. owned; jt. ventures in four hotels; mtgs. on nine hotels); all nat'l. franchises. Soft mkts. in Mich. & Dallas cutting EPS/CFS. Debt is mtgs. & debts. Shs. paired w/ hotel mgr. giving oper. control. Appr. value \$34.65/sh. 8/84. Congress St./East-group buys 5.1% stake. Results: Feb. 6 mo. oper. EPS 99¢, incl. 11¢ prepayment fee, up 27%; oper. CFS \$1.37. Shs. recovery buy (RSR 11/16/84).

**B-HOTEL PROPS#:** (HPS-ASE). Gr.1-Prop. Assets: Was RE Inv. Props. Owns 15 motor hotels w/ 1,951 rms.: Five w/ 510 rms. triple net leased to Vagabond Hotels; five w/ 706 rm. leased to Western Host (trust adviser) in Tucson, AZ; Las Cruces & Albuquerque, NM; & two Atlanta, GA Sheratons w/ 293 rms.; 5 w/ 735 rms. in 86.5% owned U.S. Equity acquired 8/84. Approved corp. format & anti-takeover rules 12/84. Results: Dec. FY oper. CFS \$1.00 + 42¢ cap. gain. Buy/hold. (RSR 4/12/85).

**A-HUBBARD REI:** (HRE-NYSE). Gr.1-Prop. Assets: Redeveloping assets from net leases (all step-down leases now gone) into multi-tenant props. with upside; does some devel. in joint ventures. Owns: 9 shop. ctrs. (981T SF); six offices (625T net SF); + 18% prop. under financing leases & 14% mtgs. Results: Jan. Q oper. EPS 49¢, up 7%. Div. up 4% 3/85. Shs. conserv. L-T buy (RSR 4/12/85).

**\*ICM PROPERTY INV:** (ICM-NYSE) Gr.2-Comb. Assets: New REIT formed 1/85 to invest in fixed-rate mtgs., land/leasebacks, & partnerships in new props. Initial assets incl. 3 offices w/ 444T SF; Hartford parking gar.; & NJ mixed-use complex. Mgmt. seasoned & shs. buy for L-T success.

**A-IRT PROPERTY CO#:** (IRT-NYSE). Gr.2-Comb. Assets: Owns 9 shop. ctrs. w/ 962T SF; 3 apts. w/ 644 DU (most w/ condo potential); 6 indust. bldgs. w/ 807T SF; 9 land leasebacks. Sold Charlotte land to affiliate & took back kicker mtg. Sold Fla. shop. ctr. 12/84 for 42¢ sh. gain. Results: Dec. FY oper. CFS \$1.53, up 5%; Shs. buy for condo gains.

**B-INTL INCOME PROP#:** (IIP-ASE). Gr.1-Prop. Assets: Sponsored by Lend Lease, Aust. Owns interests in four shop. malls (Savannah; Lancaster, Pa.; Chattanooga; Alexandria, Va.) w/ 1.4M net SF. Sold N.C. mall & bought Va. mall in 1/84. Appraised val. \$12.51 sh. 12/84. Results: Dec. FY EPS 37¢ incl. 18¢ sale gain; oper. CFS 68¢, off 12%. Div. 92¢ rate (41% nontaxable). Shs. hold/buy for income (RSR 4/12/85).

**INVESTORS GNMA TR:** (INVG-OTC). Gr.3-Mtg. Assets: Holds \$2.048 bil. (net of \$273 mil. unamort. disc.) Govt. Nat. Mtg. Assn. (GNMA) pass-thru certif. collateralize \$2.056 bil (net of \$266 mil. unamort. disc.) GNMA-Backed Sequential Pay bonds; principal repaid on GNMA certif. used to retire bonds. Trust profits from net interest margin. Book value shown net of \$28.84/sh. deferred expenses. Results: Dec. FY EPS \$12.12 (\$2.96 taxable); div. \$2.96. Shs. for income. (RSR 12/21/84)



**B-JMB REALTY:** (JMBRS-OTC). Gr.2-Comb. Assets: Stresses subordinated equity-type invest., mainly wraparound mtgs. w/ equity kickers & land purchase leasebacks. Assets half shop. ctrs. Appraised value \$19.40 8/84. Results: Nov. Q oper. EPS 49¢, up 4%. Div. up 5% to \$1.64 rate 10/84. Hold L-T.

**B-L&N HOUSING:** (LHC-NYSE). Gr.3-Mtg. Assets: Mtg. trust formed 5/81 to seek condo conversion potential in new apts. by financing mtgs. & leasebacks yielding 12.5% + 25% of rent rises + 50% of value rise. Financing 9 projects w/ 1,519 DU (avg. invest \$30,300/DU). No debt. Dallas apt. being sold for 51¢ gain 4/85. Results: Dec. FY oper. EPS \$2.84 incl. 27¢ sale gain. Next four div. to include 51¢ sale gain. Buy L-T.(RSR 4/13/84).

**A-LOMAS & NET. MTG:** (LOM-NYSE). Gr.3-Mtg. Assets: Constr. & devel. lending REIT, mngd. by largest mtg. banker; Loan originations up 3% in Dec. 6 mon. & funded loans up 17%; Loans 54% first mtg. constr.; 20% first mtg. acquisition/development; 19% others & seconds; 5% permanents; 4% foreclosures; nonearnings 5.7%, v. 4.6% in June. Results: Dec. 6 mo. EPS \$1.19, up 13%; Pays all EPS as div. Shs. buy/hold as lower rate play (RSR 10/5/84)

**\*-MSA REALTY:** un. (SSS-ASE). Gr.1-Prop. New REIT via public offer 3/29 of 2.44M shs. + \$75M subor. debts. + total 9.54M wts. exercisable @ \$9 thru 3/89. Will buy 590T SF Crossroads Mall, Omaha; build 660T SF Ross Park Mall, Pgh., + 3 ill. strip ctrs. w/ 785T SF. Mangd. by Melvin Simon & Assoc., Indianapolis, major shop. ctr. bldr. Results: Dec. FY EPS 20¢; div. 48¢. Shs. L-T buy for development success. (RSR 4/13/84)

**B-MASSMUTUAL MTG:** (MML-NYSE). Gr.3-Mtg. To be acquired by sponsor, Massachusetts Mutual Life, for \$19.50/sh. cash, subject to holder approval June 4. Buyin follows agmt. with CenTrust S&L, Miami, 16% stock owner. Hold/sell.

**B-MONY MTG INV:** (MYM-NYSE) Gr.3-Mtg. Assets: Balances S-T constr. & devel. loans w/ older L-T fixed-rate mtgs. yielding about 10.0%. Most S-T loans float w/ prime, matching 78% rate sensitive debt; Will reinvest mtg. paydowns in equities next 5 yrs., end constr. lending. Results: Feb. 9 mo. oper. EPS 78¢ sh., up 28%, + 14¢ sale gains. Shs. for conservative yield & L-T equity investment. (RSR 10/5/84)

**A-MORTGAGE GROWTH#:** (MTG-ASE). Gr.2-Comb. Assets: Evolving as aggressive equity buyer while cleaning up past foreclosures (e.g., backing townhouse development near Wash. D.C.); Sold Calif. apt. complex 1/84 for \$1.10 sh. deferred gain. Results: Feb. Q oper. EPS 36¢, up 9%, before 9¢ contingent inter. & sale gains. Shs. L-T buy for new investments (RSR 4/13/84)

**A-MTG & RLTY:** (MTR-NYSE). Gr.3-Mtg. Assets: 99% Mtgs. divided 23% permanents, 32% constr./devel.; 23% standing; 7% seconds; 1% land acq.; 12.5% participating; + 1% foreclosures & props.; 1.2% nonearning; Funded \$26M participating loans thru 9/84; see \$45-\$50M funded by 9/85. Debt 18% L-T, 82% S-T; leverage low. Results: Mar. 6 mo. EPS 91¢, up 14%. Buy for income (RSR 1/11/85).

**C-MUTUAL REIT#:** (MUTRS-OTC). Gr.1-Prop. Assets: Owns/manages racially integrated apts. in 8 states

w/ 1,322 DU in Ga., Ky., Kan., Mo., N.J., Ohio, Pa. 7 owned over 10 yrs.); Debt mtgs. Dissident holder group elected 3 new trustees 7/84 & took control. Results: Dec. 6 mo. EPS 48¢, up 14%. Thinly traded shs. hold.

**D-NAT CAPTL RET:** (NCETS-OTC). Gr.1-Prop. Assets: Props. 34% apts. (647 DU); 34% shop.ctr. (282T SF); 32% office (225T SF). mainly West & South; Problem props. hurt recent CFS. Hired SF realty firm as new adviser 2/84; Appr. value \$8.29 12/83. Bought 63,500 SF Irvine, CA office 4/85 for 546T sh. & cash. Results: Sept. 9 mo. dl7¢, v. dl8¢. Deferred div. 1/85. Shs. now strong recovery spec on new mgmt.

**A-NEW PLAN RLTY#:** (NPR-ASE). Gr.1-Prop. Assets: Specializes in upgrading older props., mainly shop. ctrs. in Northeast; Owns 20 shop. ctrs. w/ 2.5M SF; 4 apts. w/ 618 DU; six indust. Debt all fixed-rate, mtgs. + convts. Merchant Navy Fund, U.K., owns 30%, founding Newman family 18%. Bought stake in Penn. REIT. Results: Jan. 6 mo. EPS 52¢, up 16%. Shs. LT gains buy (RSR 1/11/85).

**C-1 LIBERTY FIRE PR:** (TIRE-OTC). Gr.1-Prop. Assets: Formed 4/83 to buy 40 new Firestone Tire & Rub. retail stores at cost, net leasing them back to Firestone for 12.822% of cost + 1% of gross over first 12 mon. sales. Holders OK making other invest. Results: Dec. FY EPS \$1.46; Div. \$1.69/yr. Shs. for income (RSR 7/15/83).

**A-PENN REIT#:** (PEI-ASE). Gr.1-Prop. Assets: Owns props. directly & thru joint ventures: Owned props. incl. 3 shop. ctrs. w/ 617T SF & 2,063 apts.; Joint ventures (most 50%) incl. 16 shop. ctrs. w/ 1.7M net SF, 309 DU net apts., + indust. & office. Ventures give equity play while spreading risk. Debt all mtgs. + \$35M debts. convt. @ \$25.50; New Plan Rlty. buys debts. convt. to 4.7%. We believe appraised value well over adj. book. Results: Nov. Q oper. EPS 71¢, up 45%; oper. CFS 90¢, up 38%. Buy L-T (RSR 1/11/85).

**B-PITTS & W VA RR:** (PW-ASE). Gr.1-Prop. Assets: Owns 112 mi. railroad lines & props. connecting around Pgh., leased for 99 yrs. w/ "right of unlimited renewals" to N&W RR. Annual fixed-rents of 60¢ sh. paid as divs. after expenses; latest div. up 8% to 56¢. Shs for yield. (RSR 4/23/82).

**C-PRESIDENTIAL RL-B#:** (PDLB-ASE). Gr.2-Comb. Assets: Owns apts. & office/indust. props., mainly Northeast. Lends to related Ivy Props. for NYC area coop conversions & share of proceeds. Assets incl. purchase money mtgs. at big discount. Shapiro family controls. Results: Dec. FY oper. EPS \$1.22, up 26%; Div. up. For L-T gains (RSR 5/11/84).

**A-PROPERTY CAPITAL:** (PCL-ASE). Gr.1-Prop. Assets: Specializes in subor.investments: e.g., leasebacks (49%) & L-T junior mtgs. (51%) w/ equity sharing on rent gains on off-balance sheet assets. Assets diverse income props. (44% office, 16% shop. ctr., 16% indust/comcl.). Appr. value \$21.70 7/84; split 2-for-1. Sold \$40M debts. convt. @ \$43.40 12/84. Results: Jan. 6 mon. EPS 76¢, up 9%. Buy for L-T gains (RSR 11/16/84).

**A-PROPTY TR AMER#:** (PTRAS-OTC). Gr.1-Prop. Assets: Independent El Paso trust: Built 285 DU apts., El Paso, & rent-up now at breakeven; sees 1985 im-



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provement to \$1.25/sh. CFS. Results: Dec. FY oper. CFS \$1.02, even. Sold 1.1 mil. sh. 4/85 @ \$13.25. Buy for aggressive L-T growth (RSR 4/13/84).

**C-REALTY REFUND:** (RRF-NYSE). Gr.3-Mtg. Assets: Specializes in longer-term refinancings, mainly via wraparound mtgs., mainly East & Midwest. Underlying props. half apts., half office/indust. Most debt fixed rate. Redeemed 26% block from EastGroup Props. @ \$16.75 2/85. Results: Jan. FY EPS \$1.33, off 2%. Shs. buy for yield.

**A-REIT OF CALIF:** (REITS-OTC). Gr.1-Prop. Assets: Owns 17 props. in So. Calif. (most Ventura Co. NW of Los Angeles) incl. three retail, two apts., 7 comcl/indust. Leverage low. Raised \$18.4M 8/84 w/ sale of 840T sh. @ \$24; will buy props. in Cal. Results: Dec. FY EPS \$2.48, up 6%. Buy L-T.

**\*-RESOURCES PENSIN 1 & 2:** (RPSA-OTC). Gr.F-Finite. Assets: New mtg. trusts formed 1982 & 1983 aimed at pension/profit sharing plans; Makes equity kicker investments on completed props., mainly wraparound mtgs. & land purchase leasebacks; gets cash inter. + accrued inter. + share of value gains. Mangd. by Integrated Resources, NYC. Results: No. 1: Sept. 9 mo. EPS \$1.71, up 15%; No. 2 June 6 mo.: 72¢. Shs. for yield (RSR 8/24/84).

**A-SANTA ANITA RL:** (SAR-NYSE). Gr.1-Prop. Assets: Paired stock: Realty owns major Calif. racetrack, + 50% of adjoining shop. mall; Plans bldg. 70T SF med. bldg. & 800T SF office park in jt. venture; Joining group bldg. new track in Minn.; Appraised value \$25.31 12/84. Joins Hubbard RE to buy bldg. Results: Dec. FY EPS \$1.97, up 9%. Plans offering 1.3 mil. shs. (RSR 5/11/84)

**\*-SIERRA RE EQUITY '82 & '83:** (OTC-No symbol). F-Finite. Sister equity trusts sponsored by Sierra Capital, S.F. SREE'82 owns mainly office and research bldgs. in Cal., Az., Tex. Appraised value \$11.20 12/83. Div. 70¢ ann. but not covered by CFS in June Q. SREE'83 owns office/research & shop. ctr., Cal. & Wash. Appr. value \$10.27 12/83. Div. 60¢. Will liquidate in 12-15 yrs.

**C-STORAGE EQUITIES:** (SEQ-NYSE). Gr.1-Prop. Assets: Specializes in mini-warehouses renting private, enclosed storage; Seeks high return while inventorying well located land. Sponsor in field as syndicator since 1972. Sold \$40M 9.88% notes w/warrants 12/84. Results: Dec. FY EPS \$1.38, up 24%. Div. upped to \$1.84 rate 2/85. Shs. buy for income + L-T land appreciation (RSR 7/15/83)

**\*-STRATEGIC MTG. INV:** (STM-NYSE). Gr.3-Mtg. New REIT sold about 5.5M sh. at \$20 12/84 (\$110M). Sponsored by Genstar Mtg., sub. of Canadian corp. Will use funds to warehouse (or pool) conventional mtgs. on one-family owner occupied homes, then sell 90% of pools as mtg.-backed securities, retaining 10% subor. interest. Income from fees, spread, yield on residual 10%. Seen as yield plus growth stock. (RSR 12/21/84).

**\*-TRAVELERS REIT:** (TRATS-OTC) Gr.F-Finite. Assets: New REIT formed 4/84 w/ \$25M offer (2.5M sh. @ \$10) to invest in mtgs., land purchase/leasebacks & other invest. w/ equity kicker features. Managed by Keystone Props. unit of Travelers Life. Limits holdings to 9.8% of sh. Results: Dec. 8 mon. EPS 67¢; Sept. div. \$1 annual rate.

**B-USP RL EST INV#:** (USPTS-OTC). Gr.1-Prop. Assets: Sunbelt props., 39% shop. ctrs., 24% apts., 24% bus. parks & comcl.; 88% of props. managed, 12% net leased. Sponsor Life Investors owns 34%, Peregrine Inv. 12%. Sold two props. '84 for \$1.86/sh. gains (\$1.32 deferred) & exchanged one prop. for two bus. parks. May sell more props. Results: Dec. FY oper. CFS 92¢, up 7%. Appr. value \$14.37 12/84, off 8% due to \$2/sh. div. 1/85. Shs. buys.

**A-UNITED DOMINION RE#:** (UDRT-OTC). Gr.1-Prop. Assets: Assets Merger 12/84 of Old Dominion REIT & Realty Indus., Assets \$96M at cost, most Vir. & N.C.: 73% apts. w/ 3,743 DU; 20% shop. ctrs. w/ 825T SF; Post-merger ownership: Two Belgian investors 19.6%; Sam Kornblau 21.1%. Acquired Realty Indus. for 2.5M new shs., giving 4.2 mil. shs. Old Dom. Results: Dec. FY CFS 87¢, up 7%. Buy for L-T gains (RSR 5/11 & 5/25/84)

**\*-VMS SHT TERM INC TR:** (ASE-VST). Gr.3-Mtg. New trust sold 6.67M sh. 12/84 at \$10 (\$66M capital). Sponsored by VMS Realty Partners, Chicago, major syndicators. Will make higher-yield, short-term (6 mon. avg.) bridge loans, mainly to let VMS affiliated partnerships buy and hold commercial properties while syndicate partnership interests are sold. VMS principals guarantee repayment of loans to affiliates. Shs. for high yield, depend upon future syndication success. (RSR 1/11/85)

**A-WASH RE(WRIT)#:** (WRE-ASE). Gr.1-Prop. Assets: Strong growth record from buying props. in Wash. DC area; Assets evenly divided shop. ctrs. w/ 485T SF; offices w/ 559T SF; apts. w/ 1,412 DU. Sold converted hotel 5/83 for \$1.49/sh. gain; took back \$11M purchase mtg. & OKs \$11.5M constr. loan. Results: Dec. FY oper. EPS \$1.56, up 22%. Div. up 22% in '84. Shs. for L-T gains (RSR 4/13/84).

**\*-WEDGESTONE RLTY:** (WEDGS-OTC). Gr.3-Mtg. Assets: Formed 1982 as mtg. REIT lending mainly first & second mtgs. for constr., condo conversions, etc., mainly New Eng. Loans high yield (e.g., 6% over prime) & avg. \$325T. To acquire Wedgestone Partic. Mtg. Trust. Results: Dec. FY oper. EPS \$1.15, off 7% as nonearning assets (22.6% at 12/84) hurt; Divs. paid quarterly (were monthly).

**A-WELLS FARGO M&E:** (WFM-NYSE). Gr.2-Comb. Assets: Holdings 64% mtgs. (44% constr. & devel. mtgs., 10% intermediate, 6% purchase money); 36% props. & jt. ventures; Props. over half office/indust. Developing 252T SF research bldgs. & apts. via jt. ventures; Sells props. regularly to support div. S-T floating debt 60% of total. Results: Dec. 6 mo. oper. EPS \$1.01, up 15%, + 19¢ sale gains. Shs. buy for yield & growth (RSR 10/5/84)

**A-WESTERN INV RET:** (WIR-ASE). Gr.1-Prop. Assets: Owns 23 props., 49% shop. ctr./supermkt., 30% indust., 11% resch./devel., 10% restaurant etc. Bought Nev. truck terminal and made covt. loan on Cal. resch./devel. bldg. June Q. Most debt mtgs. Sold 1 mil. sh. @ \$19 3/85. Results: Dec. FY EPS \$.25, up 12%. Div. upped to \$1.50 rate. Shs. L-T buy. (RSR 6/22/84)

| Additions              | Deletions             |
|------------------------|-----------------------|
| ConCap Income Oppor.   | Realty Income (ending |
| EQK Realty Inv. I      | REIT status.          |
| ICM Property Investors |                       |



| ST                              | LT  | RANK |                   | EXCH/<br>SYMBOL   | GROUP    | SHARE<br>(000) | BOOK<br>VALUE | ANN<br>DIV | -EARNINGS-<br>MON | LAST<br>12 MO | PRICE  | REPORT<br>DATE | BALANCE<br>ASSETS | SHEET<br>% HTGS | ITEMS<br>% PROPS | (MILLION DOLLARS)<br>% SHHRR<br>EQUITY | TOTAL<br>DEBT | DEPRE-<br>CIATION |      |
|---------------------------------|-----|------|-------------------|-------------------|----------|----------------|---------------|------------|-------------------|---------------|--------|----------------|-------------------|-----------------|------------------|----------------------------------------|---------------|-------------------|------|
| PROPERTY TRUSTS                 |     |      |                   |                   |          |                |               |            |                   |               |        |                |                   |                 |                  |                                        |               |                   |      |
| H                               | B   | →    | A                 | CALIFORNIA REI#   | AS-CT    | 1              | 4671          | 10.22      | 1.28              | DEC           | 1.53   | 12.75          | 12/FF             | 32.1            | 17.7             | 82.3                                   | 45.6          | 8.0               | 2.0  |
| -                               | -   | -    | C                 | CORNWELL RLT#     | OC-CRTYZ | 1              | 1468          | 9.34       | 0.68              | NOV           | 1.95   | 11.00          | 11/84             | 29.3            | 0.4              | 99.6                                   | 3.9           | 20.3              | 4.7  |
| H                               | B   | →    | A                 | EASTGROUP PROPS   | AS-EGP   | 1              | 2707          | 23.59      | 6.96              | FEB           | 10.74  | 38.25          | 11/84             | 55.2            | 21.9             | 78.1                                   | 63.8          | 2.7               | 0.4  |
| H                               | B   | →    | A                 | FEDERAL REALTY    | NY-FRT   | 1              | 7485          | 12.32      | 1.44              | DEC           | 2.08   | 21.75          | 12/FF             | 106.5           | 4.2              | 95.8                                   | 70.5          | 88.7              | 21.6 |
| H                               | B   | →    | A                 | FIRST UNION RE#   | NY-FUR   | 1              | 12144         | 12.768     | 1.92              | DEC           | 2.18   | 29.75X         | 12/84             | 311.1           | 21.5             | 78.5                                   | 111.2         | 210.8             | 43.6 |
| H                               | H/S | A    | FLORIDA GLF RL#   | OC-FGLFS          | 1        | 3357           | 11.32         | 0.00       | JAN               | 0.66          | 16.25  | 10/84          | 37.5              | 0.0             | 100.0            | 24.8                                   | 13.7          | 13.1              |      |
| H                               | H   | C    | GENERAL CROWTH#   | NY-GGP            | 1        | 10545          | 5.56          | 0.60       | DEC               | -0.30         | 6.38X  | 12/FF          | 85.0              | 60.8            | 39.2             | 58.6                                   | 28.4          | 4.8               |      |
| -                               | -   | -    | A                 | GOLDEN CORRAL     | OC-GCRA  | 1              | 1320          | 9.03       | 0.31              | ---           | 0.00   | 11.25          | 8/FF              | 11.9            | 100.0            | 0.0                                    | 11.9          | 0.0               | 0.0  |
| H                               | B   | →    | A                 | GOLD INVESTORS    | AS-GTR   | 1              | 1190          | 27.01      | 2.50              | DEC           | 2.79   | 26.38          | 12/84             | 86.4            | 47.1             | 52.9                                   | 13.1          | 68.4              | 18.9 |
| H                               | B   | C    | HMG PROP INV      | AS-HMG            | 1        | 1234           | 18.75         | 0.60       | DEC               | -3.12         | 12.00  | 9/84           | 78.0              | 11.5            | 88.5             | 23.1                                   | 54.5          | 5.7               |      |
| -                               | B   | A    | P-HOLLYWOOD PK RL | OC-HRFZ           | 1        | 3834           | 8.14          | 1.60       | DEC               | 2.17          | 20.00  | 9/84           | 115.8             | 0.0             | 100.0            | 31.2                                   | 92.7          | 24.5              |      |
| B                               | B   | B    | P-HOTEL INVESTOR# | NY-HOT            | 1        | 2658           | 21.543        | 2.60       | FEB               | 2.90          | 27.88X | 11/84          | 87.6              | 17.6            | 82.4             | 49.4                                   | 44.7          | 7.8               |      |
| -                               | B   | →    | A                 | HOTEL PROPS       | AS-HPS   | 1              | 2023          | 10.89      | 1.80              | DEC           | 2.03   | 12.25          | 12/84             | 47.8            | 8.4              | 91.6                                   | 19.1          | 27.6              | 2.8  |
| H                               | B   | →    | A                 | HUBBARD REI       | NY-HRE   | 1              | 5846          | 23.97      | 2.28              | JAN           | 2.14   | 26.25          | 1/85              | 127.3           | 13.5             | 86.5                                   | 140.1         | 16.3              | 7.3  |
| H                               | B   | →    | A                 | INTL INCOME PR#   | AS-IIP   | 1              | 9206          | 9.205      | 0.92              | DEC           | 0.86   | 10.50          | 12/84             | 79.7            | 0.0              | 100.0                                  | 69.0          | 11.5              | 15.6 |
| -                               | B   | →    | A                 | MSA REALTY CORP   | AS-SSS   | 1              | 2440          | 7.87       | 0.72              | DEC           | 0.20   | 8.63           | 6/84              | 96.1            | 86.6             | 13.4                                   | 19.2          | 75.0              | 0.0  |
| -                               | -   | -    | C                 | MUTUAL REIT #     | OC-MUTRS | 1              | 1328          | 12.25      | 0.00              | DEC           | 0.98   | 9.00           | 12/84             | 20.0            | 37.3             | 62.7                                   | 9.2           | 12.1              | 7.0  |
| -                               | B   | C    | NATL CAPITAL RE   | OC-METS           | 1        | 4063           | 4.113         | 0.60       | SEP               | -0.68         | 5.25   | 9/84           | 54.3              | 36.1            | 63.9             | 14.4                                   | 38.0          | 8.0               |      |
| H                               | B   | A    | NEW PLAN RL TR#   | AS-NPR            | 1        | 11127          | 6.143         | 0.99       | JAN               | 1.06          | 15.63  | 1/85           | 50.8              | 4.3             | 95.7             | 55.8                                   | 45.1          | 12.3              |      |
| -                               | -   | →    | C                 | LIBERTY FIRE#     | OC-TIRE  | 1              | 1513          | 14.53      | 1.68              | DEC           | 1.71   | 14.63          | 12/84             | 19.8            | 0.0              | 100.0                                  | 21.3          | 0.0               | 0.5  |
| H                               | B   | A    | PENN REIT         | AS-PEI            | 1        | 2345           | 20.68         | 2.40       | NOV               | 4.15          | 35.25  | 11/84          | 42.5              | 14.5            | 85.5             | 28.7                                   | 48.5          | 19.7              |      |
| -                               | -   | -    | B                 | PITTS & W VA RR   | AS-PW    | 1              | 1510          | 6.07       | 0.56              | DEC           | 0.55   | 5.63           | 9/84              | 9.1             | 0.0              | 100.0                                  | 9.1           | 0.0               | 0.0  |
| -                               | B   | →    | A                 | PROPERTY TR AMGR# | OC-PTRAS | 1              | 4825          | 10.813     | 1.20              | DEC           | 1.18   | 13.25          | 12/FF             | 38.8            | 1.5              | 98.5                                   | 45.4          | 13.3              | 6.5  |
| -                               | B   | →    | A                 | REIT OF CALIF     | OC-REITS | 1              | 1703          | 16.40      | 2.50              | DEC           | 2.48   | 28.75X         | 12/84             | 16.7            | 16.4             | 83.6                                   | 27.9          | 2.7               | 1.9  |
| N/A                             | N/A | A    | P-SANTA AMITA     | NY-SAR            | 1        | 6446           | 4.666         | 1.94       | DEC               | 1.97          | 22.75  | 9/84           | 71.6              | 2.0             | 98.0             | 30.0                                   | 48.4          | 16.8              |      |
| H                               | B   | C    | STORAGE EQUITS    | NY-SEQ            | 1        | 3155           | 12.35         | 1.84       | DEC               | 1.38          | 21.00  | 9/84           | 75.6              | 9.7             | 90.3             | 36.5                                   | 37.9          | 2.6               |      |
| -                               | B   | A    | UTD DOMIN RLY#    | OC-UDRT           | 1        | 4199           | 9.79          | 0.84       | DEC               | 2.17          | 13.50X | 12/84          | 97.9              | 0.9             | 99.1             | 37.3                                   | 58.4          | 3.7               |      |
| -                               | B   | →    | A                 | UTL EST INV#      | OC-USPTS | 1              | 2500          | 7.813      | 2.54              | DEC           | 1.31   | 10.75          | 12/84             | 44.6            | 15.4             | 84.6                                   | 11.1          | 34.0              | 8.3  |
| B                               | B   | →    | A                 | WASH RE (WRIT)#   | AS-WRE   | 1              | 5369          | 10.933     | 1.60              | SEP           | 1.63   | 24.13          | 9/84              | 48.6            | 23.5             | 76.5                                   | 44.2          | 12.2              | 14.4 |
| -                               | B   | →    | A                 | WESTERN INV RE#   | AS-WIR   | 1              | 3330          | 13.438     | 1.52              | DEC           | 1.43   | 18.75          | 12/FF             | 22.1            | 10.9             | 89.1                                   | 41.2          | 1.7               | 3.4  |
| PROPERTY & MORTGAGE COMBINATION |     |      |                   |                   |          |                |               |            |                   |               |        |                |                   |                 |                  |                                        |               |                   |      |
| H                               | H   | B    | AMERICAN HOTEL    | NY-AHR            | 2        | 5773           | 13.69         | 2.45       | DEC               | 2.47          | 22.13  | 9/84           | 120.9             | 95.5            | 4.5              | 108.0                                  | 18.0          | 0.0               |      |
| H                               | B/H | A    | BANKAMER RLT#     | NY-BRE            | 2        | 7770           | 16.125        | 2.40       | JAN               | 2.80          | 30.63  | 1/85           | 177.7             | 38.6            | 61.4             | 125.2                                  | 69.5          | 8.9               |      |
| -                               | -   | -    | C                 | CENTRAL MTG&RL#   | OC-CHRTS | 2              | 1375          | 0.42       | 0.00              | SEP           | 0.34   | 0.75           | 9/FF              | 1.0             | 0.0              | 100.0                                  | 0.5           | 0.0               | 0.0  |
| H                               | B   | B    | CENVILL INVSTR    | NY-CVI            | 2        | 7007           | 13.26         | 2.60       | DEC               | 2.41          | 19.75  | 9/84           | 122.0             | 91.4            | 8.6              | 92.8                                   | 9.9           | 3.1               |      |
| H                               | H   | A    | CLEVELAND RLT#    | OC-CLRLS          | 2        | 2830           | 14.505        | 1.52       | DEC               | 1.03          | 19.25  | 12/84          | 59.3              | 31.1            | 68.9             | 41.0                                   | 10.4          | 10.5              |      |
| H                               | B   | →    | B                 | CONSOL CAP RLY#   | OC-CPLS  | 2              | 5966          | 10.54      | 1.68              | NOV           | 2.75   | 16.50X         | 11/84             | 121.5           | 55.5             | 44.5                                   | 36.7          | 78.2              | 26.0 |
| -                               | H/B | B    | EASTOVER CORP     | OC-EASTS          | 2        | 1247           | 16.07         | 4.00       | DEC               | 7.11          | 25.00  | 9/84           | 24.9              | 31.0            | 71.0             | 20.0                                   | 4.5           | 0.0               |      |
| -                               | -   | -    | A                 | ICM PROP INVSTR   | NY-ICM   | 2              | 5761          | 18.44      | 0.00              | ---           | 0.00   | 17.63          | 12/FF             | 106.2           | 100.0            | 0.0                                    | 106.2         | 0.0               | 0.0  |
| B                               | B   | →    | A                 | IKI PROPERTY CO#  | NY-IKT   | 2              | 3954          | 13.408     | 1.60              | DEC           | 2.89   | 19.38          | 9/84              | 52.5            | 35.5             | 64.5                                   | 43.9          | 18.1              | 9.0  |
| -                               | H   | B    | JMB REALTY        | OC-JMBRS          | 2        | 1423           | 16.118        | 1.64       | FEB               | 3.35          | 17.50X | 11/84          | 36.3              | 75.1            | 24.9             | 22.9                                   | 13.3          | 0.0               |      |
| H                               | B   | →    | A                 | MORTGAGE GROWTH   | AS-MTG   | 2              | 4181          | 13.733     | 1.56              | FEB           | 2.79   | 17.50X         | 11/84             | 54.6            | 50.8             | 49.2                                   | 57.3          | 12.4              | 5.1  |
| -                               | -   | -    | C                 | PRESIDENT RL-A#   | AS-PDLA  | 2              | 479           | 5.97       | 0.88              | SEP           | 1.21   | 11.00          | 9/84              | 39.8            | 39.7             | 60.3                                   | -2.3          | 42.1              | 22.0 |
| B                               | B/H | C    | PRESIDENT RL-B#   | AS-PDLB           | 2        | 2776           | 5.97          | 0.88       | SEP               | 1.21          | 9.50   | 9/84           | 39.8              | 39.7            | 60.3             | -2.5                                   | 42.1          | 22.0              |      |
| H                               | B   | A    | PROPERTY CAPITL   | AS-PCL            | 2        | 8055           | 11.188        | 1.82       | JAN               | 1.82          | 20.13  | 1/85           | 120.8             | 59.5            | 40.5             | 95.0                                   | 37.1          | 0.0               |      |
| B/H                             | B   | A    | WELLS FARGO HGE   | NY-WFM            | 2        | 6524           | 20.953        | 2.80       | DEC               | 2.30          | 26.75  | 12/84          | 395.9             | 67.8            | 32.2             | 136.6                                  | 263.4         | 16.0              |      |
| MORTGAGE TRUSTS                 |     |      |                   |                   |          |                |               |            |                   |               |        |                |                   |                 |                  |                                        |               |                   |      |
| -                               | -   | →    | C                 | BRT REALTY        | AS-BRT   | 3              | 6235          | 2.59       | 0.00              | DEC           | 0.32   | 2.50           | 12/84             | 43.4            | 93.8             | 6.2                                    | 16.1          | 25.7              | 0.0  |
| H                               | H   | A    | CORNWELL FINC RE  | OC-CFRGS          | 3        | 4103           | 9.80          | 1.00       | NOV               | 1.36          | 8.00X  | 11/84          | 71.9              | 92.2            | 7.3              | 40.1                                   | 30.8          | 0.0               |      |
| H                               | H   | A    | CONSOL CAP INCO   | OC-CCITS          | 3        | 13758          | 22.37         | 3.00       | SEP               | 2.68          | 21.75X | 9/84           | 470.2             | 93.3            | 6.7              | 307.7                                  | 207.3         | 0.5               |      |
| -                               | H   | A    | CONSOL CAP SPCL   | OC-CCSTS          | 3        | 12708          | 22.36         | 3.00       | SEP               | 2.84          | 22.00X | 9/84           | 326.4             | 92.9            | 7.1              | 266.0                                  | 99.5          | 0.6               |      |
| -                               | H   | B    | DEL-VAL FINCL     | AS-DVL            | 3        | 3105           | 9.39          | 1.63       | DEC               | 1.71          | 14.63  | 9/84           | 109.5             | 98.7            | 1.3              | 29.1                                   | 73.8          | 0.0               |      |
| -                               | B   | A    | HEALTH CARE FD    | AS-HGN            | 3        | 2804           | 14.63         | 2.08       | DEC               | 2.57          | 20.50  | 12/84          | 87.1              | 11.8            | 88.2             | 41.0                                   | 67.3          | 0.0               |      |
| -                               | -   | -    | A                 | INVESTS GIMA TR   | OC-INGV  | 3              | 682           | -5.64      | 2.80              | DEC           | 12.12  | 24.00          | 12/84             | 2048.7          | 100.0            | 0.0                                    | -3.8          | 2056.1            | 0.0  |
| H                               | B   | →    | B                 | LHN HOUSING       | NY-LHC   | 3              | 2200          | 23.70      | 2.66              | DEC           | 2.84   | 26.75          | 12/84             | 46.0            | 83.7             | 16.3                                   | 52.1          | 0.0               | 0.0  |
| H                               | B/H | A    | LOMAS & NET MTG   | NY-LOM            | 3        | 8550           | 20.83         | 2.71       | DEC               | 2.31          | 24.75  | 12/FF          | 360.0             | 95.4            | 4.6              | 178.0                                  | 194.7         | 0.0               |      |
| H                               | H   | B    | MASSMUTUAL MTG    | NY-MML            | 3        | 6178           | 19.23         | 0.00       | OCT               | 1.52          | 18.88  | 10/84          | 185.4             | 64.0            | 36.0             | 119.0                                  | 67.2          | 0.5               |      |
| H                               | B   | B    | MONY MTG INV      | NY-MYM            | 3        | 10005          | 9.85          | 0.88       | FEB               | 1.14          | 8.88X  | 11/84          | 223.9             | 88.5            | 11.5             | 98.5                                   | 127.7         | 2.1               |      |
| H                               | B   | A    | MTG & RLT# TRST   | NY-MRT            | 3        | 7877           | 15.70         | 1.80       | DEC               | 1.78          | 20.00  | 12/FF          | 220.2             | 99.1            | 0.9              | 123.6                                  | 93.6          | 0.0               |      |
| H                               | H   | C    | NETLY REFIN       | NY-RRF            | 3        | 1021           | 17.48         | 1.33       | JAN               | 1.33          | 12.88  | 10/84          | 73.3              | 100.0           | 0.0              | 24.0                                   | 47.7          | 0.0               |      |
| -                               | -   | -    | A                 | STRATEGIC MTG     | NY-STM   | 3              | 5010          | 18.49      | 0.00              | ---           | 0.00   | 20.13          | 10/FF             | 92.4            | 100.0            | 0.0                                    | 92.6          | 0.0               | 0.0  |
| -                               | -   | -    | A                 | VMS S/T INCOME    | AS-VST   | 3              | 6918          | 9.60       | 0.30              | ---           | 0.00   | 9.75X          | 11/FF             | 62.6            | 100.0            | 0.0                                    | 64.0          | 0.0               | 0.0  |
| -                               | -   | -    | A                 | WEDGESTONE RLT#   | OC-WEDGS | 3              | 1641          | 7.78       | 1.20              | DEC           | 1.15   | 8.13           | 12/84             | 12.9            | 79.1             | 20.9                                   | 12.7          | 0.0               | 0.0  |
| FINITE-LIFE TRUSTS              |     |      |                   |                   |          |                |               |            |                   |               |        |                |                   |                 |                  |                                        |               |                   |      |
| -                               | -   | -    | A                 | CON CAP IN OPPT   | OC-CCOTS | F              | 8657          | 17.94      | 1.60              | SEP           | 1.27   | 17.50X         | 9/84              | 144.4           | 87.9             | 12.1                                   | 141.8         | 29.0              | 0.0  |
| -                               | H   | A    | EQK RLT# INV I    | NY-EKR            | F        | 10056          | 16.88         | 0.00       | ---               | 0.00          | 17.25  | 12/FF          | 165.9             | 100.0           | 0.0              | 169.7                                  | 0.0           | 0.0               |      |
| -                               | -   | -    | A                 | HELMON PART MTG   | OC-HPMTS | F              | 7520          | 9.19       | 0.00              | ---           | 0.00   | 10.00          | 1/FF              | 68.8            | 100.0            | 0.0                                    | 69.0          | 0.0               | 0.0  |
| -                               | H   | A    | RES PENSION I     | OC-RPSAS          | F        | 2192           | 23.31         | 2.44       | SEP               | 2.25          | 24.63  | 9/84           | 46.4              | 100.0           | 0.0              | 48.9                                   | 0.0           | 0.0               |      |
| -                               | -   | -    | A                 | RES PENSION 2     | OC-RPSBS | F              | 4447          | 17.30      | 1.68              | JUN           | 2.01   | 19.00          | 12/83             | 53.9            | 100.0            | 0.0                                    | 65.1          | 0.0               | 0.0  |
| -                               | -   | -    | A                 | SIERRA RE EQ82#   | OC-SRES2 | F              | 1586          | 7.353      | 0.70              | JUN           | -0.10  | 10.25          | 6/84              | 19.3            | 0.0              | 100.0                                  | 10.9          | 8.5               | 0.7  |
| -                               | -   | -    | A                 | SIERRA RE EQ83#   | OC-SRES3 | F              | 3017          | 3.323      | 0.60              | SEP           | 0.28   | 10.25          | 9/84              | 25.7            | 0.0              | 100.0                                  | 24.7          | 9.5               | 0.3  |
| -                               | B   | A    | TRAVELERS REIT    | OC-TRATS          | F        | 2523           | 9.37          | 0.65       | DEC               | 0.67          | 9.63   | 9/84           | 15.2              | 68.5            | 31.5             | 23.6                                   | 0.0           | 0.0               |      |
| -                               | H   | A    | WESTAC INVSTR #   | OC-WESPS          | F        | 5968           | 6.46          | 1.03       | NOV               | -0.19         | 9.38   | 11/84          |                   |                 |                  |                                        |               |                   |      |